

INTERNATIONAL INDIAN SCHOOL BURAI DAH

Worksheet for the Academic Year 2025-26

CLASS: 11

Worksheet-01

SUBJECT: ACCOUNTANCY

LESSON:1 INTRODUCTION TO ACCOUNTING

LESSON : 2 THEORY BASE OF ACCOUNTING

CHAPTER-1: INTRODUCTION TO ACCOUNTING

Answer the following questions:

- Q1.** Which of the following is not the limitation of accounting?
a. based on accounting conventions b. incomplete information
c. evidence in legal matters d. omission of qualitative information
- Q2.** Book keeping is mainly concerned with
a. recording financial data relating to business transactions
b. classifying and summarising recorded data
c. interpreting data for internal and users
d. all of above
- Q3.** The process of recording, classifying and summarizing all business transactions in order to know the financial result is called –
a. book – keeping b. Journalising
c. accounting d. None of these
- Q4.** Which one is the advantage of accounting?
a. replacement of memory
b. shows the present value of business
c. accounting does not record the price level changes
d. accounting is not fully exact
- Q5.** Which is the last step of accounting as a process of information?
a. recording of data in the books of accounts
b. preparation of summaries in the form of financial statements
c. communication of information
d. analysis and interpretation of information
- Q6.** **Read the following statements: Assertion (A) and Reason (R). Choose one of the correct alternatives given below:**
Assertion (A): The main objective of accounting is to maintain the records of the business transactions.
Reason (R): Accounting records all the transactions whether related to money or not.
a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
b. Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
c. Assertion (A) is true but Reason (R) is false.
d. Assertion (A) is false but Reason (R) is true.
- Q7.** Manipulating of accounts in a way so as to show the better position than what it actually is called _____.
- Q8.** Accounting measures the business transactions in terms of _____ units.
- Q9.** The book of original entry where financial transactions are recorded is termed as _____.
- Q10.** Transactions are posted into Ledger account from _____.
- Q11.** _____ and _____ is the last step of accounting as a process of information.
- Q12.** Give the meaning of Accounting. What are the advantages of Accounting?
- Q13.** Explain any three limitations of Accounting.

- Q14.** What is the process of Accounting?
- Q15.** Explain the primary objective of Accounting.
- Q16.** Only financial transactions are recorded in Accounting. Is this a limitation of Accounting? If yes, give reasons.
- Q17.** What do you mean by Financial Accounting? Explain four main limitations of financial accounting.
- Q18.** Discuss briefly the types of Accounting Information.
- Q19.** Explain internal users of accounting information and their needs.

CHAPTER-2: BASIC ACCOUNTING TERMS

Answer the following questions:

- Q1. Cash, goods or assets invested by the proprietor in the business for earning profit is called-
 - a. profit
 - b. capital
 - c. fixed assets
 - d. none of these
- Q2. The person, firm or institution who does not pay the price in cash for the goods purchased or the services received is called-
 - a. creditor
 - b. proprietor
 - c. debtor
 - d. none of these.
- Q3. Which of the following is a liability?
 - a. furniture
 - b. rent payable
 - c. interested received
 - d. stock
- Q4. The Trading and Profit and Loss Account is prepared under which attribute of accounting:
 - a. summarising
 - b. recording
 - c. classifying
 - d. analysis and interpretation
- Q5. Which one of the following statement is correct?
 - a. $\text{Income} = \text{Revenue} - \text{Expenses}$
 - b. $\text{Income} = \text{Expenses} - \text{Revenue}$
 - c. $\text{Expenses} = \text{Income} - \text{Revenue}$
 - d. $\text{Income} = \text{Profits} - \text{Expenses}$.
- Q6. _____ users are groups outside the business entity, who uses the information to make decisions about the business entity.
- Q7. The document certifying the purchase or sale of goods or any monetary transaction is called _____.
- Q8. The thing which is purchased and sold in the business is called_____.
- Q9. The things or properties which helps in smooth functioning of the business and which are owned by the business are called_____of the business.
- Q10. The unsold goods left at the end of the year is called_____.
- Q11. _____ discount is given on credit transactions only.

Case Based Questions:

- Q12.** Read the following case study and answer the following questions:
- Gopal started business for buying and selling of readymade garments with ₹ 8,00,000 as an initial investment. Out of this he paid ₹ 4,00,000 for the purchase of garments and ₹ 50,000 for furniture and ₹ 50,000 for computers and the remaining amount was deposited into the bank. He sold some of the ladies and kids garments for ₹ 3,00,000 for cash and some garments for ₹ 1,50,000 on credit to Rajesh.
- Subsequently, he bought men's garments of ₹ 2,00,000 from Satish. In the first week of the next month, a fire broke out in his office and stock of garments worth ₹ 1,00,000 was destroyed. Later on, some garments which cost ₹ 1,20,000 were sold for ₹ 1,30,000. Expenses paid during the same period were ₹ 15,000. Gopal withdrew ₹ 20,000 from business for his domestic use.
- i. What is the amount of capital with which Gopal started the business?
- a. ₹ 3,00,000 b. ₹ 8,00,000

- c. ₹ 2,00,000 d. ₹ 1,30,000
- ii. What fixed assets did he buy?
- furniture ₹ 50,000 and computer ₹ 50,000
 - computer ₹ 50,000 and garments ₹ 2,00,000
 - furniture ₹ 50,000 and garments ₹ 2,00,000
 - none of these
- iii. Who is the creditor and state the amount payable to him?
- Rajesh ₹ 2,00,000
 - Satish ₹ 1,50,000
 - Satish ₹ 2,00,000
 - none of these
- iv. What is the amount of drawings of Gopal?
- ₹ 20,000
 - ₹ 15,000
 - ₹ 50,000
 - none of these
- Q13.** Explain the following terms with example:
- Capital Expenditure
 - Revenue Expenditure
- Q14.** Distinguish between Trade discount and Cash discount.
- Q15.** What are the Current Assets. Give any two examples of Current Assets.
- Q16.** Explain the sales/ purchase include both cash and credit sales/ purchase.
- Q17.** Define the following terms with example:
- Revenue
 - Drawings
 - Profit
- Q18.** Distinguish between opening stock and closing stock.
- Q19.** Explain the Liabilities. What are the Non-Current and Current Liabilities?

CHAPTER-3: THEORY BASE OF ACCOUNTING

Answer the following questions:

- Q1.** During the lifetime of an entity accounting produce financial statements in accordance with which basic accounting concept:
- conservation
 - matching
 - accounting period
 - none of the above
- Q2.** A concept that a business enterprise will not be sold or liquidated in the near future is known as :
- going concern
 - business entity
 - monetary unit
 - none of the above
- Q3.** Meaning of credibility of going concern is :
- closing of business
 - opening of business
 - continuing of business
 - none of these
- Q4.** According to the Business Entity Concept
- transactions between the business and its owners are not recorded
 - transactions between the business and its owners are recorded considering them to be one single entity.
 - transactions between the business and its owners are recorded from the business point of view
 - none of the above
- Q5.** X Ltd. follows the Written Down Value method of depreciating machinery year after year due to
- going concern
 - cost
 - consistency
 - all of these
- Q6.** According to which of the following concepts, in determining the net income from business, all costs which are applicable to the revenue of the period should be charged against that revenue?
- matching concept
 - money measurement concept
 - cost concept
 - dual aspect concept
- Q7.** Recognition of expenses in the same period as associated revenues is called _____ concept.

CHAPTER-4: BASES OF ACCOUNTING

Answer the following Questions:

- Q1. Under the Accrual Basis of Accounting, expenses are recorded
a. on payment
b. on being incurred
c. either a or b
d. none of these.
- Q2. Under the Cash Basis of Accounting, expenses are recorded
a. on payment
b. on being incurred
c. either a or b
d. none of these.
- Q3. Accrual Basis of Accounting recognises
a. outstanding and prepaid expenses
b. accrued incomes and incomes received in advance
c. both (a) and (b).
d. none of the above
- Q4. Accrual Basis of Accounting
a. does not give a true and fair view of profit and financial position.
b. gives a true and fair view of profit and financial position.
c. may or may not give a true and fair view of profit and financial position.
d. none of the above.
- Q5. What are the two bases of accounting?
a. Cash basis
b. Accrual basis
c. Both a and b
d. None of the above
- Q6. **Read the following statements: Assertion (A) and Reason (R). Choose one of the correct alternatives given below:**
Assertion (A): Transactions are recorded in the books of account on cash being received or paid.
Reason (R): When cash basis of accounting is followed, outstanding and prepaid expenses and income received in advance are not considered.
a. Both Assertion (A) and Reason (R) are true and Reason (R) is the correct explanation of Assertion (A).
b. Both Assertion (A) and Reason (R) are true but Reason (R) is not the correct explanation of Assertion (A).
c. Assertion (A) is true but Reason (R) is false.
d. Assertion (A) is false but Reason (R) is true.
- Q7. There is a need for adjustment of prepaid/outstanding expenses in _____ basis of accounting.
- Q8. Adjustment is made for accrued income/income received in advance under _____ basis of accounting.
- Q9. Accrual basis of accounting is more reliable than _____ of accounting.
- Q10. Under the _____ of Accounting incomes are recorded on receipt.
- Q11. Under the _____ of Accounting only credit transactions are recorded.
- Q12. What do you understand by Cash Basis of Accounting?
- Q13. Discuss Accrual Basis of Accounting.